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CENTRAL INTELLIGENCE AGENCY

16 January 1958

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: Validity Study and Post Mortem on NIE 11-4-57:  
MAIN TRENDS IN SOVIET CAPABILITIES AND POLICIES  
1957-1962

1. The attached draft post mortem and validity study have been approved by the Board of National Estimates pursuant to consideration by the IAC representatives.

2. These documents have been placed on the agenda of the IAC meeting scheduled for 10:45 Tuesday, 21 January.

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WILLIAM P. BUNDY  
Deputy Assistant Director  
National Estimates

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CENTRAL INTELLIGENCE AGENCY

16 January 1958

SUBJECT: POST MORTEM ON NIE 11-4-57

1. In NIE 11-4-57 as in its predecessor, NIE 11-4-56, most of the major issues lay in the military field. The chief bone of contention was the current strength and future development of the Soviet heavy bomber and tanker force, together with the degree to which its size and composition would be influenced by the advent of other advanced weapon systems. Some differences of view were also encountered on political and economic matters.

I. FINDINGS

2. General. Our intelligence on the USSR continues to improve gradually. The quantity of available overt information is increasing as the Soviet leaders adopt a more open attitude towards their own people on various topics, as Western contacts with both leaders and populace increase, as the scope of statistical secrecy is narrowed, and as the USSR achieves successes which it considers worth bragging about. It continues to be difficult to keep abreast of the relatively rapid pace of change, but we have at least become accustomed to the fact of rapid change and are allowing for it in

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our analyses. Despite all this, however, the problem of intelligence on the USSR continues to be extremely difficult because many of the normal sources of information are severely restricted by continuing strict security controls.

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5. Our estimates of Soviet foreign policy intentions continue to depend largely on deductions from the general Soviet posture. It

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is difficult to anticipate particular maneuvers of Soviet policy without greater knowledge of Soviet plans, and it perhaps could not be done not even then because of the flexibility of current Soviet policy. Information on Soviet relations with the European Satellites is more plentiful, although frequently contradictory.

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6. Economic intelligence. While certain progress has been made in the study of Soviet military expenditures, we could still use much more information on the prices the military establishment pays for goods and on detailed production rates, particularly for military end items. Furthermore, a re-examination of the concepts and techniques employed in the cost analysis is desirable. The scope of Soviet budgetary accounts and the reconciliation of estimated military outlays with these and other Soviet material accounts also require further information and analysis. In assessing the economic impact of Soviet defense expenditures, we tend to use primarily a highly aggregative measure -- the ratio of total defense expenditures to gross national product; this should be supplemented by other

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techniques which might disclose important specific impacts. Also, further effort should be made to refine our dollar comparison of Soviet and US defense outlays.

7. While the new industrial organization was introduced too recently to be evaluated fully in this estimate, its economic effects and possible political consequences will be a major intelligence target during the coming year. In this field collection efforts and analysis of Soviet press sources should be intensified.

8. Military intelligence. Though our data on the Soviet military establishment remain inadequate, intelligence on current military strengths and capabilities has improved somewhat during the past year, both through the exploitation of new sources and the cumulative analysis of information from continuing sources.

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9. Scientific Intelligence. There continues to be a general improvement and refinement of our evidence on Soviet scientific subjects, which has been aided considerably by more frequent Western contact with Soviet scientists and the greater availability of published Soviet scientific and technical reports and data. On the whole, evidence on Soviet research and development in scientific fields of military significance remains fragmentary. However, in the important fields a nuclear weapons and ballistic missiles it is somewhat better.

## II. ACTION

10. The IAC agencies are requested to:

- a. Take appropriate action to overcome the intelligence deficiencies discussed above.

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- b. Make a special effort to improve our intelligence on Soviet research and development, production, and deployment of advanced weapons systems.
- c. Improve and refine our analysis of the cost and economic impact of the Soviet military establishment, and of comparative US-Soviet defense outlays, in anticipation of NIE 11-4-58.

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## CENTRAL INTELLIGENCE AGENCY

SUBJECT: VALIDITY STUDY: NIE 11-4-56

1. Since this estimate covered a five year period, it is premature to assess the validity of many of its judgments. Viewed in an eighteen month perspective, however, the estimate's major judgments concerning Soviet capabilities and policies appear to have been sound. In particular, it correctly stressed even more than the preceding Soviet estimates, the flexibility of the post-Stalin regime and the broad lines of Soviet external policy. On the other hand, some of its specific appraisals have had to be revised in producing NIE 11-4-57, and other possible developments were insufficiently emphasized or not anticipated.

2. Internal Political Developments. NIE 11-4-56 was properly sceptical of the stability of the top leadership. It did not anticipate that aspect of the power struggle which involved the Party's reassertion of its ascendancy over other elite groups, but it did point to continuing factional divisions, personal intrigues, and policy disputes. The conclusion that any struggle for power would be resolved without violence or a weakening of regime control also appears validated by the outcome of the 1957 purges.

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3. Most of the judgments concerning other internal political matters till appear to be sound. The estimate did not stress, however, the growth of critical thinking and disaffection among Soviet students and the intelligentsia, which more recent evidence indicates has been taking place.

4. Economic Developments. Primarily because the targets of the Sixth Five-Year Plan were generally regarded as feasible, NIE 11-4-56 revised upward the rate of economic growth foreseen in its predecessor, NIE 11-3-55. In the light of the abandonment of the Sixth Five-Year Plan and the relatively modest goals set for 1957 and 1958 this upward revision appears to have been too high, as was also the projection of industrial growth. NIE 11-4-56 also failed to predict that a somewhat higher priority would be given to consumption programs.

5. Bloc Developments. The estimate clearly erred in predicting that the transition to a new post-Stalin policy in Eastern Europe could be completed "without serious disruption." This mistake arose primarily from a failure to appreciate the growth and significance of disunity and conflicting loyalties within the Polish and Hungarian Communist parties. The aims of post-Stalin Satellite policy, however, were correctly appreciated, as was Communist willingness to abandon liberalization if it produced a fundamental challenge to the Communist regimes. While the basic unifying factors in the Sino-Soviet alliance were properly

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appraised, little attention was paid to the increasing stature of Communist China within the Bloc; on this point NIE 11-3-55 was a more useful estimate.

6. Foreign Policy. The judgment that "peaceful coexistence" would continue to characterize the Soviet approach to foreign affairs appears to have been a valid one. The estimate correctly described the use of the peace and anti-colonialism campaigns and of traditional methods of diplomacy, and Soviet stress on the underdeveloped and uncommitted areas. Its judgments of the Soviet position on Germany and disarmament have been borne out. NIE 11-4-56 did not, however, fully anticipate Soviet concentration upon the Middle East in 1957, and too great a weight may have been given to Soviet respect for the vital nature of Western interests in that area. Finally, NIE 11-4-56 did not foresee the extent to which Soviet technological achievements would bolster Soviet self-confidence and perhaps lead to more venturesome policies.

7. Military and Scientific. The validity of many of the estimates made in the military chapters of NIE 11-4-56 cannot be adequately tested at this time. The broad picture of Soviet military strengths and capabilities presented in NIE 11-4-56 appears to have been generally valid. However, on the basis of evidence accumulated over the intervening months, several important projections appear to have been in error:

(a) NIE 11-4-56 projected a more rapid Soviet buildup in heavy bombers than we now believe has actually occurred, and somewhat underestimated

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the number of jet medium bombers the USSR would add to its forces;  
(b) the estimate predicted a much higher rate of long-range, conventional submarine construction for 1957 and after than actually occurred;  
(c) subsequent evidence indicates that the performance characteristics of certain Soviet long-range bomber types were somewhat overestimated; and  
and (d) new evidence leads to the conclusion that the USSR is probably developing an IRBM of somewhat shorter range than estimated in NIE 11-4-56, and that it as well as the first Soviet operational ICBM probably will be available earlier than previously estimated. So far as concerns manpower strengths, we now tend to believe that the bulk of the reductions from Korean War peaks probably largely preceded rather than followed the announcements of 1955 and 1956. In any event, we believe that Soviet military manpower strengths have over the past decade varied considerably more than indicated in previous estimates.

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